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SUBJECT: PRESS BULLETIN - September 11, 2008

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Top Headlines

Chosun Ilbo, Dong-a Ilbo, Hankook Ilbo, Hankyoreh Shinmun, Segye Ilbo, Seoul Shinmun, All TVs
ROK National Intelligence Service: "N. Korean Leader Kim Jong-il Recovering from Surgery after Stroke; He Seems in Control"

JoongAng Ilbo
Senior ROKG Official: "Kim Jong-il Had Stroke around Aug.15; After Brain Surgery, Kim Appears Unable to Engage in Outside Activities but He is Conscious and has No Problem Communicating"

Domestic Developments

¶1. The ROK National Intelligence Service (NIS), during a Sept. 10 closed-door session of the National Assembly Intelligence Committee, said that North Korean leader Kim Jong-il had surgery after suffering a stroke sometime after August 14 or 15 but that he is recovering and is in stable condition. The NIS also said that there is no indication that the North Korean regime is experiencing a power vacuum. (All)

¶2. A high-ranking ROKG source was also quoted as saying yesterday that the North Korean leader seems partially paralyzed but that he can speak and move around. (All)

¶3. Meanwhile, Kim Yong-nam, president of North Korea's Supreme People's Assembly, in a Sept. 10 interview with the Kyodo News Agency, said that Kim Jong-il has "no problem," without elaborating further. (All) The North's No. 2 official's mention of Kim's health is very unusual, given that it is taboo in North Korea to publicly mention the North Korean leader's health problem. This North Korean

remark can be seen as a "message" that North Korea is not in an emergency. (Chosun) Kim Yong-nam was also quoted as saying during the interview: "Pyongyang intends to carefully watch America's domestic situation. A solution could be found to the current deadlock on the nuclear issue if the two countries explore ways to do so," a remark suggesting that North Korea leaves open the possibility of negotiations with the U.S. (Hankook)

¶4. Chosun Ilbo, in an inside-page story, wondered who could be behind North Korea's August 26 decision to suspend the disablement of its nuclear facilities, if North Korean leader Kim collapsed before August 22, and speculated that the North's military leadership might have demanded such a decision. Chosun went on to say that the current development raises the possibility of a retreat or delay in resolving the North Korean nuclear issue.

¶5. Dong-a Ilbo and Hankook Ilbo commented that even if North Korean leader Kim Jong-il recovers from his illness, cracks in the North's "one-man dictatorship" would be inevitable. The newspapers also expected that a power struggle or discussion of a "post-Kim Jong-il" system will be accelerated in the country.

Media Analysis

¶1. N. Korea

Coverage of North Korean leader Kim Jong-il's health and its possible impact on the Korean Peninsula and the North Korean nuclear issue dominated the ROK media. The ROK media gave top front-page play to the ROK National Intelligence Service (NIS)'s Sept. 10 briefing at the National Assembly Intelligence Committee, quoting NIS Director Kim Sung-ho as saying that North Korean leader Kim Jong-il had surgery after suffering a stroke sometime after August 14 or 15 and that he is quickly recovering and will have no problem running his country. A high-ranking ROKG source was also quoted as saying: "The North Korean leader seems partially paralyzed but he can speak and move around." The ROK media also gave wide attention to a Sept. 10 Kyodo News Agency interview of Kim Yong-nam, president of North Korea's Supreme People's Assembly, in which he said, "There is no problem," when he touched on North Korean leader Kim Jong-il's failure to appear at an event marking the North's 60th anniversary on Tuesday (September 9). Conservative Chosun Ilbo commented that the North's No. 2 leader's mention of Kim's health is very unusual, given that it is taboo in North Korea to publicly mention the leader's health problem. Chosun went on to say that this North Korean remark can be seen as a "message" that North Korea is not in an emergency. The North's No. 2 leader was also quoted by moderate Hankook Ilbo as saying in the interview: "Pyongyang intends to carefully watch America's domestic situation. A solution could be found to the current deadlock on the nuclear issue if the U.S. and North Korea explore ways to do so." Hankook interpreted this as suggesting that North Korea leaves open the possibility of negotiations with the U.S.

Most newspapers predicted that there would be no big change on the North Korean nuclear issue and inter-Korean relations unless North Korean leader Kim Jong-il's death is imminent. In particular, conservative Chosun Ilbo, in an inside-page story, wondered who could be behind North Korea's August 26 decision to suspend the disablement of its nuclear facilities, if North Korean leader Kim collapsed before August 22, and speculated that the North's military leadership might have demanded such a decision. Chosun also said that the current situation raises the possibility of a retreat or delay in resolving the North Korean nuclear issue. Moderate Seoul Shinmun echoed Chosun Ilbo, stating that North Korea's military leadership would likely play a bigger role in the future in order to stabilize the North Korean regime and that the nuclear negotiations would become more difficult as a result. Conservative Dong-a Ilbo and moderate Hankook Ilbo, meanwhile, commented that even if North Korean leader Kim Jong-il recovers from his illness, cracks in the North's "one-man dictatorship" would be inevitable. The newspapers also expected that a power struggle or discussion of a "post-Kim Jong-il" system will be accelerated in the country.

The editorials of most newspapers called for the ROKG to come up with countermeasures against a possible emergency in North Korea, irrespective of North Korean leader Kim Jong-il's health condition. Conservative Chosun Ilbo editorialized: "Regardless of the gravity of Kim Jong-il's health problems this time, Kim can no longer put off the issue of finding a successor. At present, there are no

candidates to succeed him, and North Korea will be unable to avoid a power struggle if a successor becomes known with no prior preparation. Even if one of Kim's three sons is put on the throne, the prevailing view is that the military will call the shots from behind the scenes. Irrespective of the path North Korea takes, uncertainties will rise regarding the communist state and this will also raise uncertainties on the entire Korean Peninsula. The clock is ticking for the North Korean regime, whether it collapses suddenly or changes slowly. That fateful moment has come closer. It depends on us whether we will turn that crucial moment into an opportunity or loss." Right-of-center JoongAng Ilbo's editorial observed: "The ROKG's preparation should go beyond mere prediction. It should make sure that it is in a position to function right after any possible emergency breaks out. The most urgent matter is the strength of the relations we have with the U.S. If China is sucked into a situation that sees the North implode or collapse, we need to be sure where we stand. At the same time, we shouldn't neglect improving ties with China, a country that regards North Korea as a satellite." Conservative Dong-a Ilbo wrote in an editorial: "If North Korea goes through drastic changes, the international community will also intervene. Neighboring nations should prepare to peacefully handle a 'post-Kim Jong-il North Korea' and push for a reunified Korean Peninsula."

Opinions/Editorials

Preparing for a Post-Kim Jong-il North Korea (Dong-a Ilbo, September 11, 2008, Page 27)

North Korean leader Kim Jong-il failed to appear at North Korea's ceremony to commemorate the Stalinist country's 60th anniversary. The international community has subsequently paid keen attention to Kim's health and the North's future. South Korea also says Kim is certain to have health problems. His health could likely cause unexpected changes in the North and rattle inter-Korean relations and order in Northeast Asia. Seoul must rush to confirm the rumor surrounding Kim's health, and also come up with effective measures to deal with the worst-case scenario.

If Kim has serious health problems, this will prove to be a bigger shock to North Koreans than the death of his father and predecessor Kim Il-sung in 1994. Since Kim Jong-il had served as the heir apparent since 1974, his father's death did not result in drastic change to the communist nation's power structure and political system. Now, however, North Korea has more challenging issues. Though Kim Jong-il has three sons, none of them is considered the nation's next leader. Given that, Kim Jong-il's death will result in a power vacuum and political instability. Worse, the North could experience bloodshed.

Kim Jong-il disappeared from public view for 49 days in 2003 when the United States attacked Iraq. His latest absence has lasted 15 days. Considering Kim Yong-nam, the North's second-in-power, denied reports that Kim Jong-il is ill, the North Korea leader could appear in public again. Given his age of 66 and medical history, however, the North will likely face changes soon. The only question is if the changes will be gradual or drastic.

The latest developments could create both opportunity and threat for South Korea. The German example of reunification could serve as a good model. Western Germany greatly suffered due to a mass exodus of people from the former East Germany. Both sides, however, overcame difficulty and reunited with the help of the United States, the former Soviet Union, the United Kingdom and France.

If North Korea goes through drastic changes, the international community will also intervene. Neighboring nations should prepare to peacefully handle a post-Kim Jong-il North Korea and push for a reunified Korean Peninsula. For its part, South Korea should strengthen its national security and draw a consensus on a reunified Korea.

* This is a translation provided by the newspaper, and it is identical to the Korean version.

We keep getting reports that Kim Jong-il, North Korea's leader, is seriously ill. According to these reports, Kim might have suffered a stroke weeks ago and foreign doctors have been summoned.

Other observers have heard similar stories about the possible illnesses afflicting Kim, and this is not something new. There have been rumors in the past about Kim's failing health, but then Kim emerged on official visits to the military, for instance, quelling talk that he was nearing the end.

There is a possibility that this recent breaking story is just another rumor, but we should no longer expect business as usual in the North.

The country is facing severe external and internal conflicts and even North Korea's media has admitted that the country is facing a situation so urgent that "other countries would find very difficult to withstand."

Regardless of Kim's health, the South Korean government should prepare itself for a sudden change in the situation north of the 38th parallel. But this doesn't seem to be the case, unfortunately.

When Goh Kun was acting president of the South, he said he lost sleep because there were no measures in place for a possible emergency on the Korean Peninsula. The Lee Myung-bak administration shouldn't repeat the same mistake.

North Korea has deteriorated over the past two decades politically and economically. Now, we believe its leader is gravely ill.

The South Korean government's preparation should go beyond mere prediction. It should make sure that it is in a position to function right after any possible emergency breaks out.

The most urgent matter is the strength of the relations we have with the United States. If China is sucked into a situation that sees the North implode or collapse, we need to be sure where we stand.

At the same time, we shouldn't neglect improving ties with China, a country that regards North Korea as a satellite.

As South Korea's economy is around 30 times bigger than the North's, an emergency in North Korea can seriously damage the South's finances.

The South Korean government should explain the possible impact of an emergency in North Korea and let people know what they can do to prepare themselves and their families. The issue concerns not only the government but also the survival of the entire Korean Peninsula.

* This is a translation provided by the newspaper, and it is identical to the Korean version.

Talk of Kim Jong-il Being Ill Tests Our Crisis Management (Hankook Ilbo, September 11, 2008, Page 39)

For now, it is difficult to determine how serious Kim Jong-il's health condition is. Even though widespread rumor has it that the North Korean leader is in a critical condition, there is also speculation that his illness is not serious enough for him to be unable to govern the communist state. This speculation is supported by the facts that no unusual moves by the North Korean military have been detected and that the North's state-controlled media outlets have reported nothing out of the ordinary. We should remember how the ROK got itself in trouble in the past by being excessively swayed by mere rumors, including the one that Kim Jong-il died. We should also consider possible repercussions caused by overreacting to unconfirmed information, especially at a time when inter-Korean dialogue channels are closed. The ROKG needs to take a prudent approach while, at the same time, trying to identify the situation accurately.

If Kim's illness is prolonged, it could delay important decision-making in Pyongyang. In this case, it will be difficult to make progress on the North Korean nuclear issue, which reached a critical moment following Pyongyang's moves to suspend disabling its nuclear facilities and restore them to their original state. The fact that the time when Kim disappeared from public view corresponds with the time when the North notified relevant nations of its halt of disablement measures tells us a lot. If a decision-making vacuum lasts long, it will not be easy to change our strained inter-Korean relations for the better. The ROKG should also prepare fully for such a situation. Managing a crisis sparked by talk of Kim's illness is another test for the Lee Myung-bak administration.

Act, Don't Overreact, To Rumors about Kim Jong-il
(Hankyoreh Shinmun, September 11, 2008, Page 31)

Once again there are rumors that North Korean National Defense Commission Chairman Kim Jong-il is ill. This time around there is more basis to the speculation. He failed to show himself at all during the North's celebration of the 60th anniversary of the government's founding there. When he does not show up at such an important public event he either has particular intentions behind not appearing or there is something wrong with his health, and no reason for him to hide comes to mind. The last time he appeared at a public event was August 14. According to one rumor, several well-known foreign stroke experts have entered the country.

If Kim is indeed in poor health it will mean much for the political situation on the Korean Peninsula and in Northeast Asia. Making sure the political situation does not become destabilized in any way will be critical. We must avoid rashly concluding that he is unable to control the North and overreacting. Everyone should act prudently, based on accurate information. The related countries must cooperate without being prejudiced in any one direction. The country must avoid complicating the situation by taking too much of any particular stance right now, and respond in a way that is composed and true to the national strategy of peace and reconciliation.

We must also be sure to come up with an action plan in case Kim really is bedridden. Any sudden change in the power structure in Pyongyang would invariably influence everything from the whole of the six-party process to inter-Korean relations, and relations between the North and the United States, China and Japan. We need an action plan based on the best course of action for each of the possible scenarios. Naturally, Seoul should increase its leadership on the attendant issues that relate to the Korean Peninsula.

What to do after Kim's departure was already a question the North had been thinking about. The North needs to be more transparent, both domestically and internationally, if the question of who leads the North after he is gone is to be kept from becoming a variable that makes for uncertain times on the peninsular and regional political landscape. We would hope that the North, for its part, would be mindful of the fact that, regardless of the situation, progress in the six-party process will always be advantageous to Pyongyang. The six-party talks are first and foremost about the North Korean nuclear issue, but they are also the international framework for supporting Northern reform and openness. In other words, stabilizing the North Korean system becomes easier as the six-party talks succeed.

Once again we find it unfortunate how inter-Korean relations have cooled since President Lee Myung-bak came to town. The South should be able to secure the most timely and accurate intelligence about the North and instantly offer help in a way that fits the situation there. At the moment, however, our government is standing to the side in matters pertaining to the North, by comparison, if you will, to the United States and China. This latest episode reconfirms that substantial improvements in inter-Korean relations are a matter of necessity and not choice. It is time the Seoul government realizes this.

* This is a translation provided by the newspaper, and it is identical to the Korean version.

We Must Be Prepared for N. Korea's Collapse
(Chosun Ilbo, September 11, 2008, Page 31)

The world's attention is focused on the health of North Korean leader Kim Jong-il as he failed to appear at celebrations for the Stalinist country's 60th anniversary. Kim has failed to appear at official events since Aug. 14. South Korea's National Intelligence Service told the National Assembly that Kim had suffered a cerebral hemorrhage or stroke, but was in recovery. Kim Young-nam, North Korea's second in command, said in an interview with the international press there was nothing wrong with Kim.

The North Korean leader attended the country's 50th anniversary in 1998 and a formal military review marking the 55th birthday of its military in 2003. North Korea places a lot of importance on these events, and Kim would not have missed the country's 60th anniversary celebration unless something was seriously wrong with his health.

Kim was examined for heart disease and diabetes in Beijing in 2006 and is said to have undergone bypass surgery performed by German physicians in May last year. He is 66 this year. Even if he recovers this time, there is no chance that he will continue to carry on normal activities for the next 10 to 20 years.

Regardless of the gravity of his health problems this time, Kim can no longer put off the issue of finding a successor. At present, there are no candidates to succeed him, and North Korea will be unable to avoid a power struggle if a successor becomes known with no prior preparation. Even if one of Kim's three sons is put on the throne, the prevailing view is that the military will call the shots from behind the scenes. Regardless of the path North Korea takes, uncertainties will rise regarding the communist country and this will also raise uncertainties on the entire Korean Peninsula.

North Korea adheres to a monotheistic view of its leader, saying the bloodline of the Kim family, from former North Korean leader Kim Il-sung to his son Jong-il, is the rightful leadership of the communist country. If there is a difference between the Kim Il-sung and Kim Jong-il regimes, it is the fact that it has become more oppressive, since Jong-il lacks the charismatic authority his father had. If Kim Jong-il disappears, there is a significant chance that the entire regime will collapse. If that happens, it is difficult to predict what North Korea's 1.17-million-strong military, armed with nuclear, chemical and biological weapons, will do next.

In that case, each event in North Korea may sway the prospect of unification on the Korean Peninsula and the fate of 75 million Koreans. The latest incident proves that this scenario is no longer a distant prospect but an unavoidable reality we may have to face right now.

Faced with that reality, we have no choice but to take another look at our diplomatic, military and economic preparations. China will be the main obstacle to our future when North Korea is in flux. There is a strong chance that China will seek to avoid sharing borders with a country that adheres to the principles of liberal democracy. There have been numerous accounts that China set up a plan to position massive military forces along the Aprok (Yalu) and Duman (Tumen) rivers in case North Korea falls. We must ensure the formation of a major channel of communication to convince Beijing that the unification of the two Koreas would not harm but benefit China's national security and both the country's external and internal affairs.

It is the United States that will have the greatest impact on the direction China takes. It was none other than the U.S. that played a major role in suppressing the intervention of a heavily-armed Soviet military when the border separating East and West Germany opened and the Berlin Wall fell. And Germany used this to achieve unification. The Seoul-Washington alliance must be kept strong so that the U.S. will be willing to take on such a role should the North Korean regime fall, while the South Korean government must also drastically bolster dialogue channels with China, or even broaden ties with Russia and Japan so that they will support the unification of the two Koreas.

The greatest emergency facing South Korea is a mishap involving Kim Jong-il. South Korea's national manual to steer it through such

critical moments is the "Chungmu Plan" for wartime readiness. The government says it is continuing to strengthen the Chungmu plan, but it must thoroughly review the plan with the realization that we are facing a North Korean emergency. The Roh Moo-hyun administration shelved a military readiness plan - called "O-Plan 5029" - for a North Korean emergency, fearing it would provoke the North. Now this plan should be upgraded to a "strategic plan" as South Korea has no choice but to make concrete preparations for such an event.

Even if rapidly changing circumstances in North Korea lead to unification, South Korea will be faced with a staggering economic burden that will weigh on the country's economy for a very long time. This can be seen from the long struggle of European economic superpower West Germany due to the cost of unification. But it is a burden we cannot avoid, which is why we must strengthen and expand our economy.

The clock is ticking for the North Korean regime, whether it collapses suddenly or changes slowly. That fateful moment has come closer. It depends on us whether we will turn that crucial moment into an opportunity or loss.

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Features

Outgoing U.S. Ambassador Vershbow: "DongA Ilbo's Balanced Reporting about 'Beef' Promoted a Fair Public Debate."
(Dong-a Ilbo, September 10, 2008, Page 29)

By Reporter Kim Seung-ryun

Interview with outgoing U.S. Ambassador Vershbow

Ambassador Vershbow: "More Democrats are supporting KORUS FTA... It will be good if Korea passes the FTA within this year."

Alexander Vershbow, the U.S. Ambassador to Korea said, "I can't predict how the new U.S. administration, which will take over next January, will evaluate the outcome of the Korea-U.S. FTA negotiations," adding, "It will help if Korea ratifies the Korea-U.S. FTA within this year."

In his farewell interview with Dong-a Ilbo on September 8, 2008, he said, "In the Democratic Party (which is relatively negative about FTA), the number of people who support the Korea-U.S. FTA is growing."

Ambassador Vershbow, who is scheduled to leave Korea on September 18, 2008 and retire from his 32-year diplomatic career, will start a new life in Washington for the development of the Korea-U.S. relationship.

Q. It is highly likely that Korea will ratify Korea-U.S. FTA in the upcoming fall session. Is it possible for the U.S. to ratify it within this year?

A. We don't really know whether there will be a 'lame duck session' of Congress in November after the election that could ratify the Korea-U.S. FTA."

Q. In order for the FTA to be ratified in the House, 40 to 50 Democrats need to vote for it.

A. I think there already are considerable numbers of Democrats as well as Republicans who already support the FTA, whose states clearly benefit from the FTA in terms of increasing exports in agricultural products and more opportunities for the service industry. To name two examples, there are Representative Diane Watson and Senator Maria Cantwell. According to what I heard from the business coalition which undertook an active lobbying effort, they reported considerably stronger support (in the Democratic Party) than they felt a year earlier.

Q. What are the complaints of the U.S. congress, particularly the

Democratic Party, about the automobile negotiations?

¶A. The FTA will lower the tariff on the American cars from 8% to 0%, which will give American cars a comparative advantage over other imports. For many people in Congress, it's not so much the agreement as skepticism that Korea will be a reliable implementer of the agreement and open its market. To the politicians in Washington, it seems there is a long way to go.

¶Q. In the first half of this year, Korea had a hard time due to the controversy over American beef and mad cow disease. At the center of the controversy, there was MBC's 'PD Diary'. Did you watch the program yourself?

¶A. I saw almost everything, with the show transcribed into English. I still see some parts even now. It was not, in my view, a very professional piece of journalism.

¶Q. Did you see the candlelight vigils provoked by the American beef import negotiations yourself?

¶A. I mainly heard them from my residence, which is within audio range of some of the demonstrations.

¶Q. How did you feel as Ambassador?

¶A. It was a combination of sadness and frustration. So many Koreans were convinced that the U.S. was trying to do harm to Korea (by selling problematic beef). Many false bits of information and disinformation became so prevalent in the Korean debate. We are very confident in our food safety system. However, some Koreans asked me "Why does the U.S. force Koreans to eat infected beef?"

In his answer to this question, Ambassador Vershbow added "Thanks to DongA Ilbo and other newspapers, a more balanced perspective has begun to sink in the public debate, and as a result, the protesters have gone back to their normal lives." This was the first time for him to positively appreciate the role of particular Korean media regarding the beef issue.

¶Q. Korea sent troops to Iraq and is reviewing the idea of providing civil support to Afghanistan. Please explain to young generations in Korea why they have to help a country so far away.

¶A. Koreans sometimes forget how much they are intertwined with the entire international community, and how much they have become enriched through that over time. Also, efforts to maintain freedom and peace through the UN and international organizations are very important and this concretely serves Korea's interest.

¶Q. The 2nd North Korea nuclear crisis, which started 6 years ago, is still in a state of confusion.

¶A. We are obviously disturbed by North Korea's steps to begin some activities that could lead to the restoration of the cooling tower. However, let's remember that we have insisted on abiding by the September 19 Joint Statement which refers to the abandonment of all nuclear weapons and all existing nuclear programs, even after October 2006 when North Korea succeeded in its nuclear test.

Vershbow